

# Cultural Industries Growth Strategy

## Existing South African Policies And Institutions

For the most part the supply-side measures of the Department of Trade and Industry and the Industrial Development Corporation target manufacturing. At present there are only two measures that the music industry could potentially access:

■ **The Export Marketing and Investment Schemes.** This scheme can be used to fund the gathering of market information about areas in which South African music may sell well. Secondly it is possible to use this fund to support international showcases of South Africa talent. However not all record companies are aware of the scheme's existence and thus do not make use of it.

■ **The Emerging Entrepreneur Scheme and Standard Credit Guarantee Scheme.** These programs are aimed at increasing SMME's access to finance. Given that the majority of independent record companies fall within the SMME sector, this may be a potential source of finance for these companies. However the provision that the SMME meet the banks normal lending criteria may prevent record companies from obtaining access to these loans.

Directly in the sphere of Arts and Culture there are three institutions of importance to the development of the music industry:

- The Arts and Culture Trust;
- The National Arts Council; and
- Provincial Departments of Arts and Culture.

All of these institutions provide some form of funding to the Arts and Culture Sector, of which the music industry is a part. Presently funding is largely distributed to applicants to these institutions rather than forming part of a strategic approach to funding which would ensure a maximisation of returns to the industry. Funding is a critical component of enabling the cultural industries to develop.

However to maximise the impact of limited resources that are available for the cultural industries, it is critical that the funding processes of these institutions take into consideration the development needs identified through the Cultural Industries Growth Strategy.

## Appropriate Policy Interventions in the South African Music Industry

The aim of the Cultural Industries Growth Strategy in the music sector is to encourage and aid the growth of the South African music industry through:

- Increasing the exposure of South African artists domestically and internationally; and
- Increasing the sales of South African artists domestically and internationally.

In this report the key problem facing the South African music industry in attaining these objectives lies not in the talent of the industry, but in:

- The lack of coordination between various stakeholders and initiatives in the music industry;
- The lack of a coherent approach to funding;
- Insufficient demand to build the financial resources of the industry as well as the financial security of artists;
- Insufficient exposure of South African artists both domestically and internationally.

- The lack of investment resources, which undermines both the exposure of South African artists in terms of tours and promotional material as well as the quality of sound recordings.

Overcoming these difficulties requires the implementation of projects that strengthen all areas of the music industry value chain - from beginnings through to delivery and audience reception.

Interventions can be divided into two broad categories:

- Those that are aimed at improving the linkages between the various sectors of the music industry; and
- Those that strengthen specific sectors in the music industry.

The following two sections elaborate upon specific programmes and policies that could be implemented within these two areas. The first section deals with those projects that improve the linkages between all sectors of the music industry. The second section is focused on those that could strengthen particular parts of the music industry.

## **Improving Inter-Sector Connections In The Music Industry**

### **Developing A Vision**

Chapter Two of this report emphasised the need for the development of a vision that would guide the development of the music industry. This vision needs to take account of the strengths and weaknesses identified in this report, in order to plan a way forward for the South African music industry.

The development of a vision has to be a process that would reflect the aspirations and competencies of all the music industry stakeholders. This is critical because it is only through participating in developing this vision that a stakeholder will be committed to its ambitions. This commitment is essential in ensuring that the vision is translated into operational practice.

The collaborative development of a vision is also important to overcome the lack of dialogue and cooperation between different sectors of the music industry. The development of a vision would provide a valuable opportunity for beginning this dialogue.

### **Industry Development Structure**

In order for the South African music industry to take advantage of its competitive endowments there needs to be a concerted effort to coordinate projects and programs.

Such coordination requires a structure that can bring various people together around particular projects and which has the legitimacy and administrative capacity to handle such projects. The role of this structure would be to:

- provide regular information to the industry. The industry should be able to use this information in developing the sounds and images of the artists as well as identifying international markets for South African products.
- coordinate a variety of music industry development initiatives; and
- coordinate the training initiatives that are currently underway in the music industry.

It is critical that such a structure be formed because the fragmentation and duplication of scarce resources that has been identified will only be overcome if there is a structure that

could ensure that coordination takes place. Secondly this institution / structure would provide the resources and the capacity that are necessary to undertake development projects to boost the profile of the South African music industry. This proposal draws on the experience of FACTOR in Canada and AusMusic in Australia both of which have shown the value of having an institutional home for music industry development. In South Africa such an institution is critical to ensure that the existing industry resources are harnessed towards the development of the industry.

## South African Music Day

South African Music Day would be a day in which all sectors of the music industry cooperate to celebrate the quality and diversity of South African music. This initiative would serve to:

- Increase cooperation between the various sectors of the music industry;
- Increase the sales and exposure of South African music.

These objectives could be realised through:

- National Publicity;
- Live events broadcast locally and internationally;
- Increased radio and television coverage of South African music;
- Increased delivery of South African music through 'other' delivery mechanisms such as airports and in-store radio;
- Promotional displays in music retail stores; and
- A variety of other initiatives.

An integral part of the South African Music Day would be the development of a logo that all sectors in the music industry could use to associate themselves with South African music. The logo developed for South African Music Day could be continued to be used throughout the year to develop a recognisable and desirable identity for South African music.

## Joint Export Promotion

The world music market is vast with a nearly infinite number of competing products. The joint cooperation of record companies in promoting South African music would serve to increase awareness of South African music in the export market. Such cooperation could take the form of:

- A South African stand at MIDEM; and/or
- Joint promotional tours by South African artists from a variety of record companies.

This cooperation is important both because:

- It would result in South African music having a greater presence in international markets; and
- It would provide record companies and artists with valuable opportunities to learn from international trends and from each other.

## Human Resource Development

Whilst human resource development projects can be focused on particular sectors, increasing the general skills profile of the industry is essential both for increased coordination and for the overall development of the industry.

A wide range of projects exist that are focused on increasing the musicianship skills of South African youth. The South African Music Education trust is responsible for the education of

1200 students every weekend. Such initiatives are an integral part of ensuring that the foundations of the music industry - the beginnings - are vibrant.

Skill shortages exist in the critical area of music business skills. These are

- A&R skills;
- artist management;
- contract law;
- understanding copyright;
- how the music industry operates;
- promotion.

In order for the complex coordination that is necessary for the development of artists and the music industry to occur, it is essential that these skills are developed beyond the few highly skilled individuals who presently have these resources. This dispersal of skills is critical in building a broader foundation from which the various aspects of the music industry can grow.

The problem of coordination in the human resource system has also been highlighted. Improving coordination will be an important element in ensuring that participants in the music industry are exposed to the wide variety of skills and knowledge that is necessary to provide the human resource foundation for the development of the South African music industry.

## Piracy

Piracy has been identified as the greatest threat to the continued growth of the South African music industry. Piracy results in lost income to all sectors of the music industry:

- The recording artists and composers whose work is literally stolen;
- The record companies who lose opportunities to recoup their development costs;
- The production companies who have less throughput;
- The retail stores who are undercut by pirated product.

Piracy results in reduced income to and therefore a diminished investment pool for the South African music industry. Overcoming piracy requires the joint cooperation of the music industry, the government and the public.

## Sector Specific Projects

### Beginnings

Beginnings are composed both of the musicians and composers who make music possible and of the cultural milieu that inspires them to write, play and record music.

A central component of a musical cultural milieu is a country's and a region's musical traditions. This tradition needs to be recorded and celebrated to evoke pride in South African music and encourage people to enter the music industry and to provide a cultural resource which future creators can draw from.

Contributing to the development of such an environment would be:

- The granting of bursaries to undertake research on South African musical traditions and great South African artists.
- Translating this material into:
  - school curricula;
  - documentaries; and
  - providing the basis for a cultural museum which would celebrate all South Africa's cultural creators.

## Production

The quality of production could be increased by supply-side measures that would operate on a matching grant basis. That is for each rand that a record company invested in a recording, the government would match that amount.

A supply-side measure that focused on improving the quality of sound recordings would increase the chances of South African music competing both domestically and internationally with other music products. Through increasing the competitiveness of South African albums, the chances of increasing album sales and strengthening the entire industry are improved.

In order to ensure that public funds are not misspent, it is possible to design a range of criteria that would increase the likelihood that the artist and record company receiving the grant will perform well in the market-place.

## Delivery Mechanisms

Projects such as South African Music Day would help to increasing the efficacy of the music industry delivery mechanisms. Whilst this day is a first step there are longer-term projects that could be undertaken to improve the quality and functioning of delivery mechanisms. The research uncovered a number of criticisms of retail outlets and the way in which they market and display South African product. Certainly there exists the possibility of enhancing the type of retail exposure that is given to South African product.

One possible form of project would be a 'mystery shopper', in which music journalists could write a monthly review of different music stores and the way in which they display South African music. These reviews could lay the foundations for a South African Music Award for the best retailer of domestic music, thus providing an incentive for retailers to improve their displays.

The lack of live venues for musicians to perform has been identified as a critical problem because:

- Artists are denied a regular source of income from music;
- It increases the difficulties of developing a domestic support base.

Providing incentives for domestic tours to take place is one potential mechanism for overcoming these problems. These tours would serve to link a variety of venues together (not necessarily clubs, but also public space, school halls etcetera) and it may be possible to design a variety of different touring circuits throughout the country or a province. The linking of venues into circuits would provide musicians with regular sites for playing music and earning a living as well as exposing more of the country more regularly to domestic sounds thus building a domestic audience for South African music.

This linking of venues could occur with support through a facility such as the **Sector Partnership Fund**, which presently only funds manufacturers, to support the advertising of bands that will be playing in the clubs.

## Tourism and the Music Industry

This report has identified the potential of the tourism market as well as the fact that it is presently not integrated into a broader cultural experience. This points to the potential of a partnership between tourism agencies, hotels, youth hostels, the press and live music venues to ease access for tourists to South African music.

A relatively simple project would be to commission the design of a map of all the live music venues in a region or city. The map would have information about the types of music that is played at the club, who the patrons are likely to be and contact details so that tourist can find out who is playing on any given night.

Clubs should then have an answering service that provides details on who is playing when, how much the cover charge is and what the starting times are. In addition if clubs stocked CDs of the artists that played in that club they could further spread the news of SA music.

## Building International Exposure

The international exposure of South African music is essential:

- To increase album sales;
- To encourage South African artists and record companies to innovate and take advantage of international music trends.

Building the international exposure of South African musicians could take two forms. The first would be through bands from South Africa performing in a foreign territory and vice versa or bands from both territories doing a concert together. This could be accomplished through partnerships between the different Arts Councils of the two territories, artists managers and record companies.

The second form would be flying record company executives to local concerts to listen to South African bands thereby increasing their international exposure.

## Conclusion: The promotion of South Africa as a musical nation

This chapter has outlined existing policy practice both internationally and in South Africa. In addition it has built on the broad weaknesses identified throughout the report and recommended proposals to overcome these weaknesses.

The strategy for overcoming these weaknesses focuses on:

- Increasing the investment available for the development and marketing of South African artists thereby improving the quality of South African product;
- Increasing the coordination between the industry players, institutions and government in order to optimise the impact of limited resources; and
- Mechanisms to increase the domestic and international consumption of South African music.

It is the aim of these proposals and this report to both inform and inspire debate about the future direction of the South African music industry. The statistics and analysis cited in this report leave no doubt that South Africa could build on its position as the continent's most vibrant music industry and achieve international recognition as a dynamic and growing industry.

Source : Extrait du rapport final, *Cultural Industries Growth Strategy, CIGS, the South African Music Industry*, 1998 [www.saccd.org.za/objects/cigs\\_musicreport.doc](http://www.saccd.org.za/objects/cigs_musicreport.doc), pp. 81-87